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Security Information

OCT 19 1953

MEMORANDUM FOR: Acting Deputy Director (Administration)

SUBJECT: Consultants

1. Reference is made to your memoranda dated 5 October 1953 (ER-4-6602) and 6 October 1953 (ER-4-6669) on the above subject. As you know, a working group has been established to review existing policies and procedures on the employment of consultants, and this Office is currently preparing a regulation on the subject which will be considered by the group before submitting to you for review and approval. Some of the basic ideas which we propose to incorporate in this regulation were set forth in the memorandum on this subject which we recently prepared for you to furnish to the DDCI. In the meantime, this memorandum will serve as an interim reply to the questions presented in your memoranda of 5 and 6 October.

2. With reference to the question of appointing a consultant on an informal basis for a period of approximately six months prior to formalizing his status (ER-4-6602), it would seem that this arrangement might present certain disadvantages from an administrative point of view. It would seem preferable to have these arrangements formalized on a "without compensation" (WOC) basis, which for instance, would permit the Agency to pay necessary travel expenses. It is our intention to include this arrangement in the regulation on consultants which is currently being drafted.

3. The questions presented in your memorandum of 6 October (ER-4-6669) are commented on below in the order in which they were presented:

a. "Is it feasible to put such personnel (consultants) on a WAE basis?"

This Office has for a long time believed that the Agency should be able to employ personnel on a temporary or part-time (WAE) basis, and the chief reason this has not been done is that such individuals may be subject to social security deductions, which in the past has been construed as involving a possible security risk. However, as you are aware, during the past summer a program involving the employment of "summer only" personnel was adopted and social security deductions were made for such individuals. Although these particular individuals were employed on a contract basis, it is believed that the method of employment, as far as this particular question is concerned, is irrelevant and that if social security deductions may be made on a sound security basis for

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"summer only" personnel, they may also be made for regular temporary or part-time personnel. If this arrangement is adopted, it is agreed that certain individuals who are now employed as consultants or experts could be employed as part-time employees. The Personnel Office intends to explore this question further, and if the security question can be resolved, to incorporate this in a suitable regulation.

b. "In order to avoid penalizing ourselves by blocking a personnel ceiling position with a part time employee, is it defensible to count two or more part time employees working the equivalent of one full time employee as one position against our ceiling?"
While there is nothing that this Office is aware of that would preclude the counting of two or more part-time employees as one full-time employee, the administrative difficulties involved in maintaining controls and reporting on such personnel would seem to eliminate this from consideration. Also, for many years it has been the practice of the Civil Service Commission to require agencies which submit monthly and annual strength reports to the Commission to count part-time personnel on the same basis as full-time personnel.

c. "Is there any justification for paying such part time employees or consultants a rate of pay higher than that which other full time employees receive for comparable service?"
Part-time employees would have to be paid on the same per annum basis as full-time employees. Consultants, however, may and in some instances are paid a rate higher than they would be paid as full-time employees performing comparable service. This can be justified on the basis that the individual may be receiving such a high salary in his own employment that in order to acquire his services the Agency has to pay him a rate that it would not be proper to pay a full-time employee.

d. "Considering all of the financial aspects of the situation, is it more advantageous to the Government financially to hire a consultant or a part time WAE employee?"
Whether it is more advantageous to the Government to hire a consultant or a part-time employee on a WAE basis will depend on the circumstances in the individual case. In certain instances it may be more economical to employ a consultant and in some cases it may be more economical to employ a part-time employee. Such factors as the per diem rate paid the consultant, the amount of travel that would be involved in providing the service, the nature of the service required, etc., would be pertinent.

e. "Assuming that the number of days worked per month have a substantial bearing on the question, at what point does it become more advantageous to the Government financially to have a WAE employee as opposed to a consultant?"
The answer to this question is the same as the answer to the preceding question. It would depend on the circumstances involved in the individual case.

George E. Meloon

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